



NEWS RELEASE

CALIFORNIA STATE TREASURER PHILIP ANGELIDES

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EXTRA CREDIT TEACHER HOME PURCHASE PROGRAM APPROVED BY CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

“Smart Investment” Criteria Adopted for \$1.6 Billion in Low-cost Financing for Housing, Pollution Control, Job Creation and Student Loan Programs

Sacramento, CA--The Extra Credit Teacher Home Purchase Program (Extra Credit)--which will provide \$150 million in tax credits over the next four years to help over 4,000 teachers, willing to serve in low performing schools, purchase a home--was approved today by the California Debt Limit Allocation Committee (CDLAC), chaired by State Treasurer Philip Angelides.

Extra Credit was proposed by Treasurer Angelides in December. With today's approval and initial funding, the program could be up and running by June 2000.

The Committee also adopted new rules for the allocation of \$1.6 billion annually in low-cost financing for housing, pollution control, job creation and student loans, replacing a “first come, first serve” allocation method. The Committee voted to prioritize projects based on public policy objectives which target resources to lower income communities; support livable communities, sustainable development and sound environmental practices; and leverage public dollars.

Under Extra Credit, teachers who commit to teach in designated low performing schools--many of which are located in poor and urban school districts—for five years, will qualify for tax credits equal to 15% of their annual mortgage interest payments. Extra Credit will help to bolster struggling communities by strengthening neighborhood schools.

Extra Credit will provide teachers with a credit against taxes worth approximately \$37,000 over the life of a 30 year, \$150,000 mortgage--with annual savings of up to \$1,800.

Under the program, public agencies, in conjunction with school districts, will apply for an allocation of tax credits from CDLAC to be used to support a locally adopted program to recruit and retain teachers agreeing to serve in low performing schools. Priority for funding will be given to local programs that match State awarded credits with down payment assistance; which most effectively utilize the tax credits to retain and recruit qualified teachers; and which indicate the highest need for recruitment and retention.

In June, Treasurer Angelides released *Smart Investments* which urged that the State direct resources and investments to revitalize and rebuild struggling communities and to support sustainable development and sound environmental practices that will help support long-term economic growth. The targeting of \$1.6 billion annually in low cost financing marks a significant shift of public financial resources in this direction.